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COMMITTEE ON
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TASK FORCE
MEMBER
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CONSERVATION COMMISSION

Congress of the United States
House of Representatives
Washington, DC 20515-2215

June 17, 2011

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The Honorable Julius Genachowski
Chairman
U.S. Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20054

Dear Mr. Chairman:

The Federal Communications Commission has requested – and the Congress is considering granting – authority to conduct incentive auctions of frequencies currently allocated to broadcast television. The Commission has suggested that up to 120 MHz can be reclaimed and reallocated from television broadcasting for wireless broadband purposes. I understand that the Commission has developed an Allotment Optimization Model (AOM) that has been used to investigate various scenarios for incentive auctions, including spectrum reclamation and repacking. I recognize that these are investigative scenarios and may vary from results in reality, since predicted station participation may not mirror actual behavior.

Nevertheless, this analysis would be as helpful to the Congress as it has been to the Commission in understanding the implications and potential consequences of spectrum reclamation. In my view, it is important that the Commission share the information it has gathered in order to aid the Congress in its deliberations. With this in mind, I would appreciate your thorough responses to the following questions. To the extent that the scenarios the Commission has investigated differ from those requested below, please describe those variations and provide information from scenarios closest to those I am requesting.

1. Using the assumptions that no new television stations are moved to low VHF channels (television channels two through six), that there is full protection of all existing television stations' contours, and that the results are consistent with current United States treaty obligations with Canada and Mexico, what are the general implications and impacts of reclaiming 120 MHz of spectrum from television broadcasters?
 - More specifically, how many television stations are assumed to share a channel or go off the air nationwide in this scenario? In addition, how many television stations in the Northeast (*i.e.*, the Boston-to-Washington, D.C. corridor), the Great Lakes border region, and the San Francisco and Los Angeles areas are assumed to share or go off the air in this scenario? Please

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Wireless
Broadband

include in your response the number affected by full power television stations, Class A stations, and low power stations.

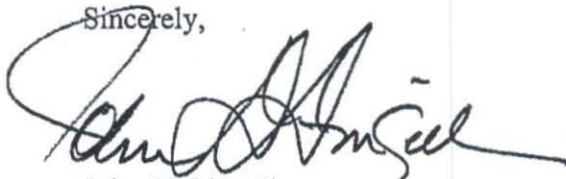
- Further, how many stations according to this scenario are required to be moved to a new channel or be repacked? How many stations are assumed to move from a UHF channel (*i.e.*, television channels above channel 14) to a high VHF channel (*i.e.*, television channels seven to 13) where digital television reception has been somewhat problematic?
2. Using the same assumptions as in Question 1, what is the impact for other scenarios under which the amount of spectrum to be reclaimed was assumed to be less than 120 MHz? Please provide the same information as the request above for scenarios investigated that result in the reclamation of approximately 90, 60, and 30 MHz, respectively.
- In the spectrum studies identified above, please indicate the total number of television viewers that will lose service and the number of channels these consumers are expected to lose (*e.g.*, 200 consumers will lose service, of which 100 consumers will lose one channel, 75 lose two channels, 20 lose three channels, and five lose six channels).
 - Similarly, please list how many consumers will gain new service, as well as the number of channels they will gain.
3. Lastly, when does the Commission plan to make the AOM model widely available for use by outside parties, particularly those meant to participate in voluntary incentive auctions?

Please provide your responses to my office **no later than the close of business on Monday, June 27, 2011**. The Congress must address our country's growing spectrum needs in the fairest manner possible, and your responses to the questions above will be invaluable in informing that important work.

Thank you for your prompt attention to my request. Should you have any questions, please feel free to contact me directly or have a member of your staff contact Andrew Woelfling in my office at 202-225-4071.

With every good wish,

Sincerely,

A handwritten signature in black ink, appearing to read "John D. Dingell", written over a horizontal line.

John D. Dingell
Member of Congress

The Honorable Julius Genachowski
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cc: The Honorable Fred Upton, Chairman
Committee on Energy and Commerce

The Honorable Henry Waxman, Ranking Member
Committee on Energy and Commerce

The Honorable Greg Walden, Chairman
Committee on Energy and Commerce
Subcommittee on Communications and Technology

The Honorable Anna Eshoo, Ranking Member
Committee on Energy and Commerce
Subcommittee on Communications and Technology

The Honorable Michael Copps, Commissioner
U.S. Federal Communications Commission

The Honorable Robert McDowell, Commissioner
U.S. Federal Communications Commission

The Honorable Mignon Clyburn, Commissioner
U.S. Federal Communications Commission



FEDERAL COMMUNICATIONS COMMISSION

August 3, 2011

JULIUS GENACHOWSKI
CHAIRMAN

Honorable John D. Dingell
U.S. House of Representatives
2328 Rayburn House Office Building
Washington, D.C. 20515

Dear Congressman Dingell:

Thank you for your recent letter regarding the Commission's work to free up spectrum necessary to help drive our economic growth and ensure that our nation continues to lead the world in mobile broadband. I am pleased that you have proposed legislation that grants the Commission authority to conduct voluntary incentive auctions to help meet these goals. If authorized with the proper flexibility, voluntary incentive auctions will provide a market-based mechanism to address the Nation's rapidly growing need for spectrum; strengthen free, over-the-air television; yield many billions of dollars for the U.S. Treasury and lead to the creation of thousands of jobs and billions of dollars of private investment.

Without incentive auction legislation, we will soon face a desperate shortage of spectrum for mobile broadband and, as a result, will fall behind our global competitors in this area of vitally important economic and technological opportunity. Without more spectrum for mobile broadband, hundreds of millions of consumers who rely on wireless devices every day for business, communications with family and friends and entertainment will experience dropped connections, slow data speeds and needlessly high prices for data. Mobile broadband can power innovations in areas like public safety, education, health care and energy – including 21st century devices that can help police and firefighters save lives – digital textbooks and software that can help teachers teach and students learn – remote monitoring technologies for people with diabetes or heart disease – and smart-grid technologies that can reduce energy costs and increase energy security. This is why 112 economists from across the political spectrum have endorsed incentive auctions, stating that giving the FCC incentive auction authority "with flexibility to design appropriate rules would increase social welfare."

In your letter, you posed a number of questions about the Commission's Allotment Optimization Model (AOM). As you know, the AOM is a tool that Commission staff is developing to assist the Commission in conducting voluntary incentive auctions, should Congress grant us the requisite authority. As you may also be aware, the Commission first unveiled the AOM concept in June 2010, with a detailed description in Omnibus Broadband Initiative (OBI) Technical Paper No. 3. We have enclosed a copy of that paper for your review.

At this point, the AOM remains very much a work in progress, and I am deeply concerned that disclosure of predecisional information would potentially damage the Commission's deliberative processes, as well as result in needless public confusion about the status of the Commission's work on the voluntary incentive auction concept. While the process of refining the AOM continues, the Commission has an interest in ensuring that deliberative information is not disseminated outside the agency and, more importantly, that candid internal discussions are encouraged.

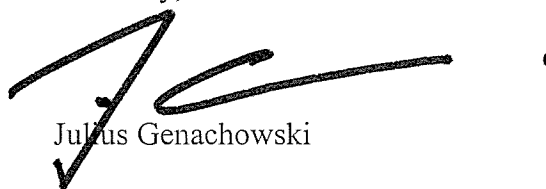
Commission staff is experimenting with the model as part of their work to prepare for the possibility that Congress will provide the Commission with the authority to conduct voluntary incentive auctions. At this stage, any sample AOM model runs would be imprecise and potentially lead people to have an incomplete and misleading snapshot of the post-auction broadcast marketplace. Moreover, releasing model runs with hypothetical assumptions about which particular television stations might choose to participate in a voluntary incentive auction would likely lead to destabilizing speculation in the marketplace, thereby creating unfairness and potential harm. In short, it is too early in our process to release what is still a partial work product, because doing so would not add to (and could harmfully detract from) the guidance already provided in Technical Paper No. 3, which remains the touchstone of the Commission's work and is available for all public parties to use to conduct hypothetical modeling.

Should Congress grant the Commission the ability to conduct voluntary incentive auctions, I commit to you that we will put the then-current (and further refined) version of the AOM out for public comment before setting the rules for the auction. The result will be a full, fair and open process that will allow for a complete review of the methodology, data and assumptions the Commission will ultimately use to implement that authority.

Please know that I am fully committed to a robust future for over-the-air broadcasting, as well as for mobile broadband. Economic growth and consumer interests are our touchstone. If flexible legislation is crafted to optimize the ways in which broadcasters can voluntarily participate in an incentive auction, the post-auction broadcast industry will be financially stronger, and those broadcasters that decide to take full advantage of offering new technologies to consumers, such as mobile DTV, will be able to do so. With such auction legislation, consumers will be rewarded on both the broadband and broadcasting fronts, and we will be assured that we will be making the most of our nation's spectrum, a vital and scarce national resource.

If I can be of further assistance, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read 'Julius Genachowski', with a stylized flourish at the end.

Julius Genachowski